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Civil Action

No. 03-12589-GAO

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS (EASTERN DIVISION)

M2 CONSULTING, INC.,

vs.

Plaintiff,

IMADE INC. and CDAIC

MRO SOFTWARE, INC., and CRAIG NEWFIELD,

Defendants.

DEPOSITION OF THOMAS RICKEY BEVINGTON, a witness called on behalf of the Defendants, taken pursuant to the Federal Rules of Civil Procedure, before Linda A. Walsh, Registered Professional Reporter and Notary Public in and for the Commonwealth of Massachusetts, at the Offices of Gesmer Updegrove LLP, 40 Broad Street, Boston, Massachusetts, on Tuesday, July 26, 2005, commencing at 10:02 a.m.

PRESENT:

Fee, Rosse & Lanz, P.C.
(By Mark S. Resnick, Esq.)
321 Boston Post Road, Sudbury, MA 01776,
for the Plaintiff.

Gesmer Updegrove LLP
(By Lee T. Gesmer, Esq.,
and Kurt Bratten, Esq.)
40 Broad Street, Boston, MA 02109,
for the Defendants.

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- A. This is a document that we agreed at the outset of the relationship to -- we created the document. They had input into it, and it was the reporting tool for our hosting business: Who, how much, whether it was rental or existing, how much we owed MRO, et cetera, et cetera, et cetera.
 - Q. So this is a monthly activity report?
 - A. It's a monthly activity report.
- Q. And your practice was to send it to MRO every month, correct?
 - A. Yes, we did.
- Q. And you would send it for -- at the beginning of a month for the preceding month --
 - A. Yes.
- 16 | Q. -- correct?
 - Now, this is the report for November 2002, the month the second hosting agreement was executed, correct?
 - A. Yes.
 - Q. And you did send this payment that's highlighted at the bottom of this document, \$5,785.50, you did send that to MRO, correct?
 - A. I think so, but you know, I couldn't swear

to it. We did send a payment of about that amount of money for the November period.

- Q. Yes. Did you send any other commission payments to MRO for either the 20 percent customers -- customers who were covered by the 2000 agreement which called for a 20 percent commission or the 50 percent customers after the payment based on the November 2002 activity report?
- A. There never were any 50 percent customers. So there was no payments made for them. There may have been a \$1,300 payment or something done a couple of years or a year, year and a half earlier. The point is we were told all --
- Q. All right. Let me just tell you, I don't want to mark these all in this deposition, but I'm sitting here looking at the activity reports month after month going forward from the one that you are holding in your hands, Exhibit 45, showing, you know, \$5,000, \$6,000 a month on average going up to \$7,000 or \$8,000 a month by the end of '03.
 - A. Uh-huh.

- Q. Were these payments made to MRO?
- A. We were never invoiced. We were told not to pay without an invoice. The only reason this

check was cut because I made a personal commitment to Ted Williams that this, quote, "wouldn't happen again."

- Q. Who told you not to make any payments without an invoice.
 - A. Several people --
 - Q. Who were they?

- A. -- for a long period of time. Ray Miciek,
 Bob Parker. They fully understood they weren't
 invoicing me. I created a problem for us. We would
 cut the checks initially back in '01. We would put
 them in the drawer since we are a small company and
 we can't afford a big hit, and they just couldn't
 get it together.
- Q. So even though Exhibit 2, the 2002 hosting agreement, states in Exhibit A payment terms, net 30 days from receipt of fees paid, even though it provides that in all the drafts going back, I'll represent to you, state essentially that same language, you believe that you didn't need to pay these monthly monies unless you were invoiced?
- A. As a company we are not allowed to make payment without a request for payment. Are you with me?